

OTCQX RULES RELEASE NO. 8 (PROPOSED AMENDMENTS)

OTC Markets Group has published proposed amendments to the **OTCQX Rules for U.S. Companies** and **OTCQX Rules for International Companies**. Most significantly, the DAD role for U.S. companies has been modified to align more closely with the PAL role for international companies. Additionally, U.S. companies are now required to release quickly to the public any news or information which might reasonably be expected to materially affect the market for its securities. Below are the high level changes from each set of OTCQX Rules.

Highlights of Proposed Changes

OTCQX Rules for U.S. Companies:

1. The role of the DAD has been modified to align more closely with the PAL role. These changes are being made based on feedback from current DADs and well regarded investment banks and law firms that do not currently act as DADs. Modifications to the U.S. Rules are designed to maintain the integrity of the OTCQX marketplace and to place greater responsibility on OTCQX companies to demonstrate their compliance with OTCQX Rules.
2. Quarterly DAD Letters are no longer required, similar to PAL requirements.
3. Companies are required to make timely disclosure of material news releases/developments in a press release through the OTC Disclosure & News Service ("DNS"), or a third-party newswire service that has integrated with DNS (or combination of methods). Required disclosure includes annual and quarterly earnings releases, dividend announcements, corporate actions and other material information that could reasonably be believed to affect the market for a company's securities. The wording is taken from the well-established NYSE Rules 202.5 and 202.6 to build confidence with brokers and investors that market prices fairly reflect all available material information and news
4. The initial bid price look back test has been changed from 90 trading days to 30 calendar days.
5. Under the initial eligibility standards, companies may now meet one of the Penny Stock Exemptions based on interim financial statements, which may or may not be audited.
6. SEC Reporting companies are no longer required to be included in a Recognized Securities Manual, as these companies qualify for Blue Sky exemptions in many states by virtue of their SEC reporting status. However, OTC Markets encourages companies to maintain a subscription in a Recognized Securities Manual as insurance in case they become late in their SEC reporting.
7. Securities are no longer required to be eligible for deposit with Depositary Trust Company (DTC), although it is expected that non-DTC eligible companies will still seek to make their securities eligible after qualifying for OTCQX because of the well understood benefits and efficiencies in the clearing and custody process.
8. Companies are required to maintain their company profile by submitting a Company Update Form via www.otciq.com with necessary updates or verifying their current profile at least once every six months.
9. Companies shall authorize their Transfer Agent to provide OTC Markets with Company's share information upon OTC Market's request.

OTCQX Rules for International Companies:

1. As part of the initial application process, companies may post only their Annual Reports and interim financial reports for the preceding 24 months, and are no longer required to post all other information, such as news releases, as part of the initial disclosure obligations.
2. Under the initial eligibility standards, companies may now meet one of the Penny Stock Exemptions based on interim financial statements, which may or may not be audited.
3. SEC Reporting companies are no longer required to be included in a Recognized Securities Manual, as these companies qualify for Blue Sky exemptions in many states by virtue of their SEC reporting status. However, OTC Markets encourages companies to maintain a subscription in a Recognized Securities Manual as insurance in case they become late in their SEC reporting.
4. Securities are no longer required to be eligible for deposit with Depositary Trust Company (DTC). This will allow ADR issuers to upgrade their "F" shares¹ that are currently traded OTC Pink to OTCQX at no additional cost.

Comment Period:

OTC Markets Group welcomes your feedback about the proposed changes. Send comments and questions to Mike Vasilios, Executive Director of Issuer Compliance at mike@otcmarkets.com by March 16, 2014.

Effective Date of Proposed Changes:

The proposed rules are scheduled to become effective March 17, 2014, with the exception of the proposed rule requiring OTCQX U.S. Companies to make timely disclosure of material news releases/developments in a press release will become effective on May 17, 2014.

¹ "F" shares are xxxxF symbols issued for US broker-dealers to meet their regulatory obligations to report trades in the U.S market. These volumes should be added to local share volume and ADR volume to get a picture of total global trading volumes.